

Washington State Auditor's Office
Accountability Audit Report

Elevated Transportation Company
King County

Audit Period
January 1, 2000 through March 31, 2003

Report No. 67449

Issue Date
October 22, 2004



Washington _____
State Auditor

Brian Sonntag

Audit Summary

Elevated Transportation Company King County January 1, 2000 through March 31, 2003

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Elevated Transportation Company for the period January 1, 2000, through March 31, 2003.

We performed audit procedures to determine whether the Company complied with state laws and regulations and its own policies and procedures. Our work focused on specific areas that have potential for abuse and misuse of public resources.

RESULTS

The Company complied with state laws and regulations and its own policies and procedures in the areas we examined.

RELATED REPORTS

Our opinion on the Company's financial statements is provided in a separate report, which includes the Company's financial statements

CLOSING REMARKS

We thank Company officials and personnel for their assistance and cooperation during the audit.

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Description of the Company

Elevated Transportation Company King County January 1, 2000 through March 31, 2003

ABOUT THE COMPANY

The Elevated Transportation Company was established when Seattle voters approved Initiative 41 in November of 1997 and was re-established by voters with passage of Initiative 53 in November of 2000. The Company's purpose was to prepare a Seattle Popular Transit Plan. The Company was given 12 to 24 months to complete this plan and submit it to a vote. If the plan was approved, no additional public money could be spent on Initiative 53. Once approved, the plan would succeed the Company and institute the remainder of the plan, including but not limited to supervising construction, operation, maintenance and ownership of a monorail system in perpetuity. A 12-member Council governs the Company.

The Seattle Popular Transit Plan was placed on the ballot and passed by the voters of the City of Seattle in November of 2002. With the passage of the Seattle Popular Transit Plan in November of 2002, the Seattle Popular Monorail Authority was created and the Company ceased operations.

During the first quarter of 2003, the Company Board of Directors approved a resolution that transferred all the remaining rights, assets, property, obligations and liabilities of the Company to the Monorail Authority and requested that the Seattle City Council cancel its charter.

AUDIT HISTORY

We have audited the Company twice. We have reported no findings.

APPOINTED OFFICIALS

These officials served during the audit period:

Council:	Claude Forward (resigned February 5, 2001)
	Cindi Laws (appointed February 5, 2001)
	Alec Fiskin (appointed February 2000)
	Yvonne Sanchez (resigned February 16, 2000)
	Kenneth Ragsdale
	Dick Falkenbury
	Marie Groark
	Charles Hamilton
	Tom Carr (resigned December 3, 2001)
	Craig Norsen (appointed February 5, 2001)
	Neil Heiman
	Kristine Hill
	Harolynne Bobis (appointed February 5, 2001)
	Stuart Rolfe (appointed April 4, 2001)
	Robert Radford (appointed May 16, 2001, resigned December 3, 2001)
	Joel Horn (appointed July 2, 2001, resigned December 12, 2001)
	Donald King (appointed December 3, 2001)

ADDRESS

Jeanne Kohl-Welles (appointed February 4, 2002)

Company

Suite 105
1904 3rd Avenue
Seattle, WA 98101

Audit Areas Examined

Elevated Transportation Company King County January 1, 2000 through March 31, 2003

In keeping with general auditing practices, we do not examine every portion of the Elevated Transportation Company's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the Company were examined during this audit period:

ACCOUNTABILITY FOR PUBLIC RESOURCES

We evaluated the Company's accountability in the following areas:

- Property and equipment
- Payroll
- Purchase of goods and services
- Financial statement preparation and journal entries

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Budgeting requirements
- Ethics/conflict of interest laws
- Open Public Meetings Act
- Allowable expenditures
- Credit card usage
- Travel expenses
- Reporting requirements – city of Seattle

FINANCIAL AREAS

Our opinion on the Company's financial statements is provided in a separate report. That report includes the Company's financial statements and other required financial information. We examined the financial activity and balances of the Company including:

- Cash and investments
- Expenditures
- Receivable
- Payable
- Revenues
- Overall presentation of the financial statements